

<p align="center">SUMMARY OF MAJOR CHANGES TO DoD 7000.14-R, VOLUME 5, CHAPTER 2 “DISBURSING OFFICES, OFFICERS, AND AGENTS”</p> <p align="center">Substantive revisions are denoted by a ★ preceding the section or paragraph with the substantive change or revision.</p>			
PAGE	PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
2-2	020101	Requires that all requests to establish a disbursing office be made via the Defense Finance and Accounting Service, Financial Services Division, Kansas City (DFAS-DFD/KC).	Update
2-3	020104	Provides that the DFAS-DFD/KC shall review all requests for and approve/disapprove establishment of disbursing offices.	Update
2-3	020105.A 020105.B 020106	Describes DFAS-DFD/KC role in disbursing station symbol number (DSSN) management.	Update
2-4 through 2-6	0202	Replaces the term “deactivation” with “closure” or “closing” and “deactivated” with “closed” throughout this section.	Update
2-7	020301.C.1	Adds controls that prohibit the alteration of remittance addresses for disbursements by the Department as required by Title 10, United States Code, section 2785.	Update
2-9	020304.A 020304.B 020304.C 020304.D 020304.E	Describes DFAS-DFD/KC role in appointments of disbursing officers (DOs). Adds the previously tacit requirement that a military DO shall be a U.S. citizen. Adds a subparagraph on internal controls. Adds a subparagraph on termination of a DO appointment.	Update
2-9 2-10	020305 020305.A 020305.B 020305.C 020305.D 020305.E	Describes DFAS-DFD/KC role in the appointment of deputy DOs. Adds the previously tacit requirement that a deputy DO also shall be a U.S. citizen. Adds a subparagraph on internal controls. Adds a subparagraph on termination of a deputy DO appointment.	Update
2-11	020306.A 020306.B 020306.C 020306.D	Clarifies that original specimen signatures are required on letters of appointment for DOs. Describes DFAS-DFD/KC role in the submission of signature cards and specimen signatures.	Update

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Substantive revisions are denoted by a ★ preceding the section or paragraph with the substantive change or revision.

PAGE	PARA	EXPLANATION OF CHANGE/REVISION	PURPOSE
2-12 2-13 2-14	020401 020402.B.6 020402.B.7 020402.C.1 020402.C.2 020402.C.3 020402.C.5	Describes the DFAS-DFD/KC role as it pertains to procedures associated with the commencement of, and relief from, disbursing duties.	Update
2-16	020502.B.4	Requires that DFAS-DFD/KC be notified upon the death, incapacity, or removal for cause, of a DO.	Update
2-23	020902	Establishes imprest fund requirements in accordance with requirements of the Department of the Treasury Financial Manual (TFM) transmittal letter, Number 592.	Update
2-33 2-36	0210 021002.B.2	Clarifies the following terminology throughout the section: accommodation check, convenience check and purchase card convenience check.	Update
2-38	021002.D.3	Adds TFM definition of a “properly payable instrument” and clarifies existing electronic funds transfer requirements.	Update
2-40	Figure 2-1	Corrects name of signature card form to FMS Form 5583, vice TFS Form 5583.	Update
2-41	Figure 2-2	Corrects “Specimen Signatures” form to FMS Form 3023, vice TFS Form 3023.	Update

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CHAPTER 2
DISBURSING OFFICES, OFFICERS and AGENTS

0201 ESTABLISHMENT OF A DISBURSING OFFICE

★ 020101. Request for Establishment. All requests to establish disbursing offices at new activities, or at activities receiving disbursing services from an external source, shall be submitted, by memorandum, through the requesting activity's chain of command to the Director, Defense Finance and Accounting Service (DFAS), via the DFAS Financial Services Division, Kansas City (DFAS-DFD/KC). Tactical disbursing activities must be activated, organized, reorganized, deployed or closed by the applicable Military Service via the supporting DFAS site and the DFAS-DFD/KC.

020102. Information to be Included in the Request. All requests for establishment shall include the following information:

- A. Reason why the establishment of the office is considered necessary.
- B. Prospective work load of the office in terms of number of military personnel to be supported, civilian personnel to be paid and commercial vouchers to be settled. If military or civilian personnel are to be paid, include information on the automated payroll system proposed for the activity.
- C. Proposed date for establishment of the disbursing office.
- D. Name of the nearest Federal Reserve Bank (FRB) or branch, including location and distance of the FRB from the proposed disbursing office. If there is no FRB or branch within a reasonable distance of the proposed office, the name and location of the nearest general depository, if any, (and distance of that depository from the proposed office), should be furnished.
- E. Estimated number of U.S. Treasury checks required for the first year of operation and whether checks will be procured through normal requisition or if an emergency supply will be required.
- F. Name, social security number (SSN) and rank or grade of proposed disbursing officer (DO), if known.
- G. Estimate of monthly cash requirements.
- H. Include information on any automated disbursing system planned to be implemented in the disbursing office.

020103. Recommendation by Department of Defense (DoD) Component Commander. When the establishment of a disbursing office is considered necessary for the efficient functioning of the activity, the military activity commander shall endorse the request to indicate concurrence and provide any additional information required by the approving official. In all cases, a statement justifying why an additional disbursing office is required and why the disbursing operation cannot be conducted by an existing disbursing activity, should be provided to the approving official.

★ 020104. Approval for Establishment. The DFAS-DFD/KC shall review all requests for establishment of disbursing activities for both tactical and nontactical activities, advise the commander whether the request is approved or disapproved, and, if approved, obtain a disbursing station symbol number (DSSN) from the Department of the Treasury.

020105. DSSN

★ A. Assignment. The DFAS-DFD/KC shall obtain a DSSN from the Department of the Treasury for all approved disbursing activities. The commander must be advised of the assigned DSSN when notified that establishment of the disbursing office is approved.

★ B. Change in Designation or Location. The disbursing office shall keep the assigned DSSN until that DSSN is revoked or rescinded by the DFAS-DFD/KC. Any proposed changes in the designation or location (mailing address) of the activity subsequent to the assignment of the DSSN must be coordinated with the Department of the Treasury, Check Reconciliation Branch, Financial Management Service, via the DFAS-DFD/KC.

C. Use of DSSN. The DSSN shall appear on all payment and collection vouchers, on U.S. Treasury checks and on limited depositary checks.

★ 020106. Reporting Activation of a Disbursing Office. The DO who activates a disbursing office shall notify the Department of the Treasury, Financial Management Service, Check Reconciliation Branch, via the DFAS-DFD/KC, by memorandum immediately upon commencement of disbursing operations. A copy of the memorandum also shall be provided to the supporting DFAS site. The memorandum shall include the name of the activity, the DSSN assigned, the name and rank or grade of the DO and the opening date of the account.

020107. Employer Identification Number (EIN). DOs shall obtain from the local Internal Revenue Service office an EIN for reporting tax information.

020108. Equipment, Publications and Blank Forms

A. Check-signing Machines. DOs are authorized to use check-signing machines. An activity issuing more than 2,000 checks per month may procure (obtain) and use such a machine commensurate with their workload. DOs issuing fewer than 2,000 checks per month may request approval from the supporting DFAS site to procure (obtain) and use a check-

signing machine. See Chapter 7 of this volume for machine specifications, signature plate requirements and ordering procedures.

B. Publications. It is essential that publications that govern the operation of a disbursing office are current and are maintained in the office for reference purposes. Publication change transmittals shall be posted promptly upon receipt.

C. Supply of Blank Forms. An estimate of the type and quantity of blank forms necessary to sustain the actual or anticipated volume of business shall be prepared. The estimate shall be updated periodically to avoid stockpiling of seldom-used forms.

D. Miscellaneous Office Supplies. Miscellaneous office supplies such as rubber stamps and stationery shall be requisitioned using established supply procedures.

★0202 CLOSING A DISBURSING OFFICE

020201. Permanent Closure

★ A. General. The policies and procedures in this section shall be followed when a disbursing office is permanently closed.

★ B. Designation of a Settlement Office. The supporting DFAS site shall designate another disbursing office to handle uncleared transactions for the closed office. This designated disbursing office hereafter shall be called the settlement office.

★ C. Notification of Closure. The DO shall notify all affected activities upon permanent closure of a disbursing office, as follows:

★ 1. Notify all affected activities, agencies, commercial concerns (including depositaries when applicable), and individuals of the disbursing office closure date and the name and location of the settlement office to which all accounts will be transferred.

★ 2. Notify the Department of the Treasury through the DFAS-DFD, Kansas City, MO 64197-0030, that the DSSN is being closed. Indicate in the memorandum the date of closure, the office to which the accounts and records have been forwarded for settlement, and the last check number issued under the closed symbol. Include the date and check number of the last check signed by each deputy in cases where a separate series of checks is assigned to deputies at branch disbursing offices. Also, provide a copy of the memorandum to the supporting DFAS site. Once a DSSN is reported to the Department of the Treasury as being in a settlement status, the DSSN may not be reopened or transferred to another location without specific approval of the Department of the Treasury. Once the settlement office has met all requirements pertaining to closing the DSSN as provided in Chapter 22 of this volume, the Department of the Treasury will take the appropriate steps to permanently close the DSSN.

★ 3. Once a DSSN has been closed, it may only be used for settlement purposes. If the DSSN is ever to be reopened, the DO must request and receive approval for reactivation from the Department of the Treasury. That agency also must assign a new check range concurrent with the reactivation.

4. Request the commander to terminate the appointment of all agents that the commander was responsible for appointing.

5. Terminate all deputy, agent and cashier appointments.

6. Request the commander terminate the DO's and all agents' authority to hold cash at personal risk.

7. Clear all outstanding agent, imprest fund cashier and change fund custodian advances.

D. Deposits. Deposit all currency, coin, negotiable instruments and limited depository account balances to the credit of the U.S. Treasury on an SF 215 (Deposit Ticket).

★ E. Deposit Fund Account Balances. Transfer to the designated settlement office any balance in a deposit fund account that could not be cleared prior to closure of the disbursing office. A detailed list of the persons owed or funds to be reimbursed along with any documents or backup information shall be submitted with the SF 1081 (Voucher and Schedule of Withdrawals and Credits) to the settlement office. The SF 1081 shall be used to adjust the general ledger for the amount of funds transferred.

F. Undeliverable Checks. The DO shall cancel all undeliverable checks. Checks forwarded by other DOs that are undeliverable will be returned to the forwarding DOs for cancellation.

G. Blank Treasury Check Stock. The DO shall destroy all remaining blank check stock as prescribed in Chapter 8 of this volume and report the checks on the SF 1179 (Month End Check Issue Summary) and level 8 check issue report as VOIDS (zero dollar value issues).

H. Blank Bond Stock and Validating Stamps. The DO shall send all unused blank bonds and validating stamps directly to the FRB from which the bonds were received and shall notify the FRB that the bond issuing agent's appointment has been terminated.

I. Undelivered Bonds. The DO shall dispose of all undelivered savings bonds as prescribed in Chapter 23 of this volume.

★ J. SF 1219 (Statement of Accountability). When a disbursing office is closed, the DO shall prepare and submit an SF 1219 covering the period from the first day of the accounting period through the close of the last business day and marked **FINAL**.

★ K. SF 1179 (Month End Check Issue Summary). When a disbursing office is closed the DO shall prepare and submit an SF 1179 covering the period from the first day of the accounting period through the close of the last business day and marked **FINAL**. The SF 1179 shall include all checks issued during the accounting period as well as all blank check stock that must be destroyed and reported as VOIDS (zero dollar value issues) as prescribed in Chapter 8 of this volume.

L. Check Signing Machine. If any of the disbursing office equipment is in excellent condition, the DO shall notify the supporting DFAS site, which shall advise other disbursing offices of the equipment available. Every effort should be made to transfer useable equipment to another disbursing office where it can continue to be utilized. If no other disbursing offices need the equipment, the DO shall turn over the equipment to the supporting property disposal office. See Chapter 7 of this volume for disposition of signature plates.

M. Retained Records. The DO shall send the retained records to the designated settlement office as prescribed in Chapter 22 of this volume.

★Note: DOs preparing an office for closure have a responsibility to ensure that no discrepancies exist in their accountability. The supporting DFAS site reviews all accounts transferred to settlement offices and has the authority to order collection action to be taken against the relieved DO who submitted a disbursing account to a settlement office with unresolved deficiencies in accountability (i.e., dishonored personal checks, unconfirmed deposits, physical losses of funds and unresolved open debit items in **F3875, **F3880, and **F3885 clearing accounts.)

★ 020202. Temporary Closure. Occasionally, temporary closure of a disbursing office is necessary. For example, a ship undergoing extensive overhaul for a period of several months may arrange for disbursing service from a shore activity. In order to eliminate the necessity of submitting monthly financial and checking account reports during the period of inactivity, the DO shall deposit all currency, coin and negotiable instruments; close the limited depositary checking account, if applicable; properly dispose of all undeliverable checks; submit the memorandum required for closure of disbursing offices with additional information that the account is closed only on a temporary basis; and retain blank U.S. Treasury check stock for use when the disbursing operation is reactivated. Inventory and storage requirements specified in Chapter 7 of this volume apply. The disbursing account may be reopened at any time under the same DSSN by submitting the report of commencement of disbursing operations. NOTE: A disbursing account may not be temporarily closed if any cash or documents representing cash are on hand. Any assets on hand, including deficiencies such as dishonored checks or losses of funds require submission of the monthly SF 1219.

0203 DISBURSING OFFICERS, DEPUTIES AND OTHER ACCOUNTABLE POSITIONS

020301. Persons Authorized to Have Custody of Public Funds

A. General. To ensure proper security and accounting for public funds and fix responsibility for custody and authorized disposition, it is necessary to limit the number of persons who are authorized to receive, maintain custody and disburse or otherwise dispose of public funds.

B. Accountable Positions. Except as otherwise specifically provided, the function of regularly receiving and maintaining custody of public funds shall be performed only by DOs and their duly appointed deputies, agents and cashiers with respect to all public funds; personnel designated to distribute salary checks or savings bonds; and individuals appointed by the commander as imprest fund cashiers, collection agents, change fund custodians, or paying agents in connection with functions which are not the direct responsibility of a DO.

C. Exceptions

★ 1. General. It is not required that every person who may, on occasion, receive or maintain custody of public funds be designated formally to fill one of the positions listed in subparagraph 020301.B, above. Public funds may be received at times, at locations and under circumstances that preclude any advance arrangement for their receipt. At some activities collections are so infrequent that it is impracticable to have a formal designation in effect. When funds are received by other than those individuals formally designated, it is required that the funds be forwarded promptly to the DO serving the activity or to another individual formally designated to receive them. (NOTE: In accordance with 10 U.S.C. 2785 (reference (b)), a remittance address for a disbursement that is provided by an officer or employee of the Department that authorizes or requests the disbursement shall not be altered by any individual who is authorized to prepare the disbursement. A remittance address for a disbursement may be altered only upon request by the authorized payee and shall be made only by an officer or employee who is authorized to do so who is not otherwise an employee authorized to prepare the disbursement.) DOs and individuals responsible for property and the funds derived therefrom need not formally designate all or any substantial number of their subordinates to receive or maintain custody of public funds even though the entire staff of the activity performs functions closely associated with public funds. It is sufficient that formal designations be made for those individuals who regularly receive and maintain custody and control of public funds and who have the opportunity to act independently in respect to the custody, movement and disposition of such funds.

2. Specific Exceptions. Individuals who perform only the following functions in connection with public funds shall not be appointed formally to an agent position.

- a. Sales personnel in retail outlets and mess cashiers
- b. Mailroom employees and messengers who may handle public funds on occasion in connection with their regular duties
- c. Personnel receiving public funds exclusively in the form of checks drawn payable to a Military Component

d. Personnel who handle funds as assistants to holders of accountable positions but who do not sign receipts holding themselves accountable for the funds.

020302. Restrictions on and Exceptions to Duty Assignments of Individuals Handling Public Funds

A. Restrictions. Individuals performing duties as disbursing agents, cashiers, paying agents, collection agents, change fund custodians or imprest fund cashiers involving the custody or disbursement of public funds shall not be concurrently appointed to other accountable positions involving the handling or custody of or accountability for other funds.

B. Exceptions

1. DOs at DFAS sites may hold more than one DSSN. Each deputy appointed by the DO may serve as a deputy under one or more of the DSSNs assigned to the appointing DO. Likewise, a DO holding one or more DSSNs may serve concurrently as the deputy to one or more other DOs.

2. Disbursing officers aboard Navy vessels also may serve concurrently in other accountable positions such as ship's store officer or food service officer when the ship's manpower authorization does not provide supply corps officers for each accountable function.

3. When directed by appropriate authority in accordance with law and regulation, it shall be the duty of DOs aboard Navy vessels to accept, safeguard, account for and dispose of personal funds and valuables received for safekeeping.

020303. Additional Duties. Except as specifically authorized in this volume, DOs shall not be assigned the additional duties of order approving authority, certification officer for claims for reimbursement and contingency funds, custodian of any fund, or other conflict of interest assignments.

020304. Appointment of a DO

★ A. Establishment of a DO position. The Component manpower center or local commander is authorized to approve the establishment of DO positions. (NOTE: Grade levels of civilian DO positions shall be determined in accordance with standards established by the Office of Personnel Management.)

★ B. Appointment of a DO. The Component manpower center and local commander shall issue the required orders and appointment letter to the DO (however, if the DO is a civilian employee, only the appointment letter shall be issued). The letter shall state the specific duties authorized to be performed by the DO and shall include the statement "I acknowledge that I am strictly liable to the United States for all public funds under my control."

The letter also shall include a statement that confirms that the appointee has been counseled with regard to pecuniary liability and has been given written operating instructions. A copy of the letter of appointment and the required original specimen signature forms (FMS Form 5583 and FMS Form 3023) shall be forwarded to the DFAS-DFD/KC to be maintained in the DO files. The appointee shall acknowledge acceptance of the appointment on the original and all copies of the letter of appointment.

★ C. Eligibility. Eligibility for appointment as a DO shall include previous experience as a DO or completion of (or agreement to complete) specific DO training. Both military and civilian DO appointees must be U.S. citizens.

★ D. Internal Controls. Separation of disbursing and related duties shall be maintained in accordance with the Component and DFAS internal management control programs (e.g., DFAS 5010.38-R).

★ E. Termination of Appointment. (See section 0204 below.)

★ 020305. Appointment of a Deputy DO

★ A. Establishment of Deputy DO Positions. A DO normally should request the establishment of at least one deputy DO position. The DO personally shall sign all requests for deputy DO positions. The establishment of all deputy DO positions for DFAS disbursing activities shall be approved by the DFAS-DFD/KC. From a security standpoint, excessive numbers of individuals should not be allowed to have access to public funds. Commanders shall ensure that only a minimum number of deputy positions are approved at disbursing activities under their jurisdiction. A request for the establishment of a deputy position shall include a justification for the position and the following information.

1. The specific location supported by the deputy DO position.
2. The number of deputies that presently support the above site(s).
3. The specific duties to be performed by the deputy DO.
4. An estimate of the monthly value of funds to be advanced, collected, and disbursed by the deputy DO.

The DoD activity commander is authorized to approve the establishment of deputy positions for DoD Component disbursing activities. The DFAS-DFD/KC shall advise the appropriate requesting office of the approval or disapproval for the establishment of deputy positions for DFAS disbursing activities in writing.

★ B. Appointment of a Deputy DO. Deputy DOs are appointed by the DO with a formal letter of appointment addressed to the individual. The letter shall state the specific duties authorized to be performed by the deputy and include the statement “I acknowledge that I

am strictly liable to the United States for all public funds under my control.” The letter also shall include a statement that confirms that the appointee has been counseled with regard to pecuniary liability and has been given written operating instructions. The appointee shall acknowledge acceptance of the appointment on the original and all copies of the letter of appointment. A copy of the letter of appointment and the required original specimen signature forms (FMS Form 5583 and FMS Form 3023) shall be forwarded to the DFAS-DFD/KC to be maintained along with the DO files.

★ C. Eligibility. An officer, enlisted member, or civilian employee satisfactory to the DO and who meets the requirement of being a U.S. citizen may be eligible for appointment to the position of deputy DO.

★ D. Internal Controls. Separation of disbursing and related duties shall be maintained in accordance with the Component and DFAS internal management control programs (e.g., DFAS 5010.38-R).

★ E. Termination of Appointment. The DO may initiate revocation of the appointment of a deputy at any time. When the DO is relieved from disbursing duties, action to also revoke the appointment of all deputy DOs also shall be initiated by the DO. In all cases, the notice (memorandum) of proposed revocation of a deputy’s appointment shall be addressed to the deputy. A copy of the notice memorandum shall be forwarded to the DFAS-DFD/KC. If another individual will succeed the deputy, a copy of the letter of appointment and the required original specimen signatures for the new deputy shall be forwarded with the copy of the memorandum of revocation.

020306. Submission of Signature Card and Specimen Signatures

★ A. Official Signature. Prior to commencing disbursing operations, a DO and all appointed deputies shall determine which of their given names or initials will comprise their official signature. This official signature shall be used on all checks, vouchers, official papers and correspondence pertaining to the DoD, the General Accounting Office and the Department of the Treasury. The official signature shall be furnished to the DFAS-DFD/KC by completion of the FMS Form 5583 (Signature Card) and FMS Form 3023 (Specimen Signatures). The signature on the FMS Form 5583 shall be certified by the commander/director of the activity where the DO is located. In the case of deputies, the DO shall certify the FMS Form 5583. The completed original forms shall be forwarded to the DFAS-DFD/KC for recording. Permanent dark blue, blue-black, or black ink shall be used for manual signatures. The ink should not be subject to fading and not readily soluble in water. See Figures 2-1 and 2-2. In addition to the above, three specimen official signatures are required in order to procure a signature plate. (See Chapter 7 of this volume for specific guidance.)

★ B. Official Signatures to Other Depository. If checks are to be drawn on a depository other than the U.S. Treasury, the DO’s official signature (as well as that of the deputy, if authorized to sign depository checks) shall be furnished to the depository. The forms shall be duly certified by an officer whose signature is known to the depository.

★ C. Change of Official Signature. The official signature of a DO or deputy, as provided to the DFAS-DFD/KC, shall not be changed without the written authority of the DFAS-DFD/KC.

★ D. Furnishing Additional Signatures When Transferred to a New Station. It ordinarily will not be necessary to furnish another FMS Form 5583 on resumption of disbursing duty at a different disbursing activity since the original FMS Form 5583 becomes a permanent part of the DFAS-DFD/KC records. However, since an individual's signature often changes over a period of years, the DFAS-DFD/KC may request additional signatures. When a DO or deputy frequently changes disbursing offices, the supply of specimen signatures furnished on FMS Form 3023 may become exhausted since a specimen signature is filed under each DSSN used and specimen signatures are furnished to different banks on request for their use in cashing and processing checks and savings bonds. In this event, the DFAS-DFD/KC may request a DO or deputy to furnish an additional FMS Form 3023.

0204 COMMENCEMENT OF AND RELIEF FROM DISBURSING DUTY

★ 020401. Commencement of Disbursing Duty. A DO who activates a new disbursing office, reactivates a disbursing office that has been temporarily closed, or relieves another DO shall forward a memorandum to DFAS-DFD/KC and to the supporting DFAS site immediately upon commencement of disbursing duties. The memorandum shall include the name of the activity, the DSSN assigned, the name and rank or grade of the DO, the opening date of the account; the beginning and ending serial number of all blank U.S. Treasury checks; and, if applicable, the name and rank or grade of the relieved DO. For Navy DOs, a copy shall also be forwarded to the DFAS operating location to which the financial reports will be submitted.

020402. Relief From Disbursing Duty

A. Joint Action by Both the Relieved and the Relieving DO. Upon reporting for disbursing duty as relief of the DO, a date upon which relief actually will be effected shall be established (subject to approval by the commander). If possible, relief should take place on the last day of the month to eliminate the necessity of submission of two sets of financial reports in the same month. On the date relief is to take place, the following actions shall be taken by both the relieved and the relieving DOs:

1. Verify cash on hand.
2. Verify all other documents that support the SF 1219 as assets.
3. Verify and inventory all blank U.S. Treasury checks and prepare a letter of transfer of the checks. Both the relieved and the relieving DOs shall sign the transfer receipt document. The relieving DO is responsible for reporting all checks issued by the relieved officer that were not reported to the Department of the Treasury prior to the transfer of accountability and for resubmitting any rejected tapes containing data on checks issued by the

relieved officer. Therefore, the check numbers for which the relieving officer receipts should be included in the commencement of disbursing duties announcement memorandum. The first check in the series shall be the next sequential number after the last check listed on the relieved officer's last check issue report. The last check receipted for should be the same as the last check number previously ordered and received by the relieved officer. Any checks missing or out of numerical sequence shall be researched immediately and voided if necessary.

4. Verify postal money orders on hand, if applicable.
5. Verify safekeeping deposits, if applicable.
6. Verify blank savings bond stock and validating stamps (if machine equipment is not used) and prepare a letter of transfer, if applicable. Both the relieved and relieving officer shall sign the transfer receipt document. Notify the FRB from which the savings bonds were received by forwarding a copy of the letter of transfer to the FRB.
7. When local regulations require, prepare a memorandum of relief for submission to the commander.
8. Verify and transfer all backup documentation for open balances in deposit fund account **F3880. The Treasury Financial Manual, Volume 1, Part 4, paragraph 7070.55, requires that these accounts be cleared to the proper appropriations or funds as expeditiously as possible. For deposit account **F3880, the relieved DO shall present a detailed list of individual subsidiary transactions supporting documentation or backup information and current status. Documented evidence shall include certification that the DO or primary deputy personally reviewed the balances in the account within the last month as required by Chapter 8 of this volume.

B. Action by Relieved DO. Upon relief from disbursing duty, the relieved officer shall:

1. Terminate all deputy, agent and cashier appointments and clear all related DD Forms 1081.
2. Transfer all money accounts, books, property, vouchers and other retained records to the relieving officer.
3. Prepare and submit a final SF 1219. The relieving DO shall sign a certificate of acceptance of total accountability on the SF 1219 as prescribed in Chapter 5 of this volume. (See Figure 2-3.)
4. Forward a copy of the relieving DO's commencement of disbursing duty memorandum (including copies of all the letters of transfer of the total accountability) with the final SF 1219 to the activity to which financial reports are submitted.

5. Prepare and forward a memorandum to the supporting DFAS site advising the date and check number of the last check issued.

★ 6. If it is anticipated that the signature plate(s) will be used at a subsequent duty station, forward the plate(s) to the DFAS-DFD/KC for safekeeping. (NOTE: When a signature plate is withdrawn from service and is not to be used again, it shall be delivered to the DFAS-DFD/KC for destruction. When the plate has been destroyed, a properly executed certificate identifying the specific plate and date of destruction shall be furnished to the relieved DO.)

7. Transfer custody of the check-signing machine to the relieving officer, if applicable.

8. Verify balances in suspense accounts are properly documented.

9. Make final accounting for savings bonds to the FRB, if the DO is also designated as a bond-issuing agent.

C. Action by Relieving DO. The provisions in this subparagraph pertain to the relieving DO upon transfer of accountability from the relieved officer. The relieving officer shall insure that all actions listed in this section are accomplished, documented and verified prior to signing for the accountability. The actions listed below summarize the actions to be taken by a relieving DO prior to reporting to the new disbursing activity as well as actions required as part of the relief process:

★ 1. Upon receipt of orders to disbursing duties, furnish original specimen signatures to the DFAS-DFD/KC by completing FMS Forms 5583 and 3023. If signatures previously have been furnished as DO or deputy DO, submission of new specimen signatures is not required unless specifically requested or a change of official signature is desired. If, however, the relieved officer has a limited depository checking account, then specimen signatures shall be provided to the limited depository.

★ 2. Contact the disbursing activity to determine if a check-signing machine is in use. Obtain all necessary information about the machine (e.g., make, model and number of plates required). If the relieving officer has never had a signature plate, then provide specimen signatures to the DFAS-DFD/KC and request that office to order the required plates in sufficient time for arrival prior to the actual date of relief. If a signature plate compatible with the check signing machine is in safekeeping at the DFAS-DFD/KC, then request that office to send the plate to the new disbursing office. If signature plates cannot be received or obtained prior to the actual date of relief, then the relieving DO may request the DFAS-DFD/KC to authorize the use of the relieved DO's signature plates until new plates are received. This procedure is to allow continued efficient operations of the disbursing office. Under this procedure, pecuniary liability for improper payments made on or after the date of assuming responsibility rests with the relieving DO.

- ★ 3. Submit a memorandum of notification announcing the commencement of disbursing duties to the DFAS-DFD/KC.
4. Request appointment as a bond issuing agent, if required.
- ★ 5. Appoint at least one deputy DO and submit the required copies of the appointment and signature cards to the DFAS-DFD/KC. Also, appoint agents, cashiers and other internal designations as necessary.
6. Verify the adequacy of the safekeeping facilities for funds, blank checks, bonds and other accountable documents. If the facilities are inadequate, report the deficiencies to the commander and request that proper facilities be provided.
7. Change the combination of all safes including those assigned to other accountable individuals.
8. Review on hand cash requirements. If the current cash authority continues to be valid, it may be retained by the new DO until the normal resubmission date. If not acceptable, a request for cash holding authority shall be submitted by the new DO as soon as possible after taking over the account.
9. Order all required official publications not on hand.
10. Notify all serviced activities, agencies, commercial concerns and individuals of the account holder change.

0205 CHANGE IN THE STATUS OF DISBURSING OFFICERS OR DEPUTIES

020501. Authorized Absence of DOs or Deputies at Branch Offices. During an authorized absence, the DO remains liable for the account until or unless the DO is officially transferred. The account need not be transferred unless, in the DO's judgment, the ability to effect proper supervision is impaired. The DO shall maintain an adequate system of controls to avoid errors and to take appropriate steps to ensure the implementation and effectiveness of those controls. In order for relief of liability to be considered, the DO shall show clearly what the procedures were and how they were implemented during the absence (e.g., the record shall show that any loss incurred was not the result of bad faith or lack of reasonable care).

020502. Death, Incapacity, or Removal of a DO from Duty for Cause

A. General. When a DO dies, is incapacitated, or is removed from disbursing duty for cause (including unauthorized absence), the deputy is authorized under 10 U.S.C. 2773 (reference (b)) to continue to disburse in the name of and under the accounts of the DO for a period of time not to extend beyond the last day of the second month following the month of death, incapacity, or removal. If there is more than one deputy, the commander shall designate one deputy as authorized to disburse in the name of the DO.

B. Responsibility of the Commander. The commander shall take the following actions.

1. Seize and seal all disbursing spaces, keys, property and safe(s) to ensure the security of the funds, property and spaces involved.

2. Appoint a board of not less than three disinterested but qualified officers to take an inventory of the vouchers, funds and property then on hand (see subparagraph 020502.C, below).

3. Based on the disbursing needs of the activity, take one of the following actions:

a. Appoint a suitable person to act as custodian of the vouchers, funds and property of the disbursing office (see subparagraph 020502.D, below).

b. Appoint a suitable person (normally a deputy DO) to take charge of the vouchers, funds and property involved and to perform the duties of the DO as acting accountable DO until a regular relief reports (or is appointed) or until the last day of the second month following the date of death, incapacity, or removal (see subparagraph 020502.E, below).

★ 4. Notify the supporting DFAS site by message of all actions taken and provide an information copy to the DFAS-DFD/KC. Navy disbursing offices should notify (and provide an information copy of the notification to) the applicable DFAS site that receives the DO's financial reports.

C. Responsibility of the Inventory Board. The board of officers, appointed as prescribed in subparagraph 020502.B.2, above, shall take a complete inventory of all public funds, including advances to deputies, agents and cashiers; vouchers evidencing receipt, transfer, or disbursement of funds; safekeeping deposits, if applicable; and property of the DO in the presence of the immediate custodians and the appointed custodian, acting accountable DO, or relief DO. All official records shall be verified to determine that the cash on hand is in agreement with the records and that all checks used in the current accounting period have been properly accounted for. Blank checks also shall be inventoried to determine if there are any blank checks missing. In the event a shortage or deficiency is discovered the commander shall take the actions prescribed for losses of funds or deficiencies in the DO's account as prescribed in Chapter 6 of this volume. An original and four copies of the inventory shall be prepared and certified by all members of the board as a true and accurate inventory. The board of officers shall turn over to the appointed custodian, acting accountable DO, or relief, all public funds and property certified on the inventory. The custodian, acting accountable DO, or relief shall receipt the original inventory and retain a copy. The original of the inventory shall be turned over to the commander by the board and each member of the board shall retain one of the remaining certified copies.

D. Responsibility of the Custodian. The custodian shall assume custody of the public funds and property held by the DO upon receipting on the original of the inventory. No transactions other than collections shall be conducted. Upon the return of the incapacitated DO or reporting of a new permanent DO as relief, the custodian and the DO shall inventory and transfer all vouchers, funds and property as prescribed for relief procedures.

E. Responsibility of the Acting Accountable DO (Deputy). When authorized by the commander to continue the accounts of a DO as acting accountable DO, the deputy shall perform all official duties that would have been required of the DO. The deputy shall prepare and submit financial reports for the DO as of the date of the death, incapacity, or unauthorized absence of the DO. Only those vouchers actually paid by the former DO shall be included in the reports. The reports shall be submitted in the name of the former DO by the deputy; i.e., "John Hancock by G. C. Garland." The reports shall include information as to the date of death, incapacity, or unauthorized absence and the fact that transactions included were made by the DO. Vouchers for which checks have been drawn but not delivered shall be included in the first of the subsequent reports covering transactions made by the deputy. Subsequent financial reports shall be submitted at the normally prescribed times in the name of the former DO; shall be signed by the deputy as indicated above; and shall include an explanation that the reports include only transactions made by the deputy under authority of this subparagraph subsequent to the death, incapacity, or unauthorized absence of the former DO. The financial reports of transactions performed by an acting accountable DO shall not be merged with those of the officer for whom appointed, or with those submitted by the regular relief after the regular relief assumes duties. All checks drawn by the deputy shall be signed in the manner normally used when the deputy signs checks. If the volume of checks warrants, however, then the signature plate of the former DO may be used. The deputy, not the former DO or the estate of the former DO, shall be liable legally and responsible for all payments and official acts subsequent to the death, incapacity, or removal of the DO.

F. Responsibility of the Relief. If the commander appoints an individual as DO to relieve the deceased, incapacitated, or removed DO, the relieving officer shall be responsible for performing all actions required in section 0204 of this chapter. The relieving DO shall be responsible for rendering financial reports in his own name the same as any other DO.

G. Administration of the Accounts of an Incapacitated or Removed for Cause DO. The rights of a deceased, incapacitated, or removed DO, as well as the custodian, acting accountable DO, or relief shall be fully protected so that, in the event of differences discovered during settlement of the accounts, the responsibility may be assigned to the appropriate individual. The acting accountable DO or relief shall take the actions necessary to complete the vouchers, close the accounts, maintain custody of records and render the final reports of the former DO. Documents prepared in connection with the administration and settlement of the accounts of a former DO shall be signed as follows:

(Name of Disbursing Officer)

By _____
Acting (appointed per 10 U.S.C. 2773)

The commander may allow an incapacitated or removed DO a reasonable time to close the disbursing accounts and render the final accountability reports. If a DO is restored to duty following arrest, suspension, or other incapacity, the commander shall direct that a second inventory be taken by the restored DO and the custodian, acting accountable DO, or relief. The DO restored to duty or the relief shall be accountable only for the vouchers, funds and property on hand when the inventory is taken. The custodian, acting accountable DO, or relief shall be accountable for all vouchers, funds, property and transactions which took place from the date the original inventory was receipted.

H. Deputy at Branch Disbursing Office. In the event of the death, incapacity, unauthorized absence, arrest or other emergency absence of a deputy at a branch disbursing office, the DO shall be advised by the most expeditious means available. Depending upon the circumstances, the DO shall request the commander of the activity at which the branch office is located to appoint a board to take an inventory of the vouchers, funds and property of the deputy and appoint a suitable person to take custody of the vouchers, funds and property until inventory can be taken by the DO. If practical, the DO shall take an inventory of the vouchers, funds and property in the presence of a competent witness.

0206 AGENTS OF DOs

020601. General. Officers, enlisted members, or civilian employees satisfactory to the appointing officer, may be appointed to the position of disbursing agent, cashier, or paying agent. From a security standpoint, it is undesirable to allow excessive numbers of individuals to have access to public funds. Commanders and the Directors of DFAS sites shall take appropriate steps to ensure that only the minimum number of accountable positions are authorized at activities under their jurisdictions. Examination and inspection teams should review the number of accountable positions in use at disbursing activities and include comments and recommendations, as appropriate, in the report of examination or inspection. Accountable positions as agents of DOs shall be established and approved locally by the commander. The individuals shall be appointed in writing by the appropriate appointing official as explained in the following paragraphs for each specific type of position. In all cases, the letter of appointment shall include the specific duties and limitations, effective date, duration of the appointment and the name of the individual being relieved, if any. The appointed individual shall acknowledge appointment and acceptance of the position on the original and all copies of the letter of appointment and shall include the statement "I acknowledge that I am strictly liable to the United States for all public funds under my control." Letters of appointment shall be maintained in a permanent file at the activity to show the successive holders of each position and shall be retained for a period not less than 6 months after the individual ceases to serve in the position. Appointments as agents of DOs are effective only while the DO continues to serve as DO of that activity. Appointments as agents of DOs may be revoked by the appointing officer at any time. The revocation shall be in writing and shall include the effective date of the revocation. Except

as provided in this volume, individuals appointed as agents of DOs are not authorized to serve concurrently in any other accountable position and shall not be charged with the handling or custody of any other funds.

020602. Disbursing Agents

A. Duties and Responsibilities. A disbursing agent is an agent to the DO who has not been appointed as a deputy DO. Normally, a disbursing agent operates a permanently located disbursing office of considerable size (i.e., most functional areas such as military pay, civilian pay, material, commercial services, etc., being present) that is geographically separated from the DO's office. In some instances, a one or two person disbursing agent office may be established. The use of disbursing agents, however, is not restricted to geographic separation from the DO. Unlike the DO, or deputy DO, a disbursing agent cannot sign/issue U.S. Treasury checks (unless the appointment is changed from disbursing agent to deputy DO). See paragraph 020305, above. A disbursing agent prepares disbursement and collection vouchers as an agent of the DO. Such vouchers become part of the DO's overall accountability.

B. Establishment of Position. Disbursing agent positions are established in writing by the major command or Defense Agency. When the duties of the position include the authority to sign/issue U.S. Treasury checks, see requirements in paragraph 020305, above.

C. Appointments to Position. Disbursing agent appointments shall be coordinated with the parent DO. The commander shall make a written appointment of the individual who will fill the established disbursing agent position. The letter of appointment shall contain the name and rank or grade of the agent, office where duties are to be performed, description of duties (or job description) to be performed, and effective date of the appointment. It also shall include an acknowledgement of acceptance of the appointment, the statement, "I acknowledge that I am strictly liable to the United States for all public funds under my control" and a statement that "the individual has been counseled as to pecuniary liability and has been given written operating instructions." The letter of appointment shall be issued to the appointee. A copy of the letter shall be provided to the commander and to the DO.

020603. Cashiers

A. Selection Procedure. An officer, enlisted member, or a civilian employee, with working knowledge of the cash functions and operations, may be designated as cashier. The DO or disbursing agent should make a thorough investigation of the selectee to ensure that the individual is of unquestionable integrity. To accomplish this the DO or disbursing agent should examine personnel records and talk to the individual and other persons as necessary. In addition, a credit report should be obtained if access to a credit reporting service is available. Costs associated with obtaining a credit report are a valid charge to Operations and Maintenance (O&M) funds available to the DO. Credit reports shall be adequately safeguarded against unauthorized perusal.

B. Duties and Responsibilities. Duties include disbursing, collecting and accounting for cash. The cashier may also perform other duties as required, concerning the receipt, custody, safeguarding and preparation of checks and U.S. savings bonds. To facilitate training and effectively utilize personnel, cashiers may perform other duties on days when they do not perform cashier functions.

C. Letter of Appointment. Cashiers shall be appointed in writing by the local DO or disbursing agent. The letter of appointment shall be issued in an original and two copies and shall contain the name and rank or grade of the cashier; office where duties are to be performed; description of duties or job description to be performed; effective date of the appointment; acknowledgement of acceptance of the appointment and the statement “I acknowledge that I am strictly liable to the United States for all public funds under my control” and a statement that the individual has been counseled as to the pecuniary liability and has been given written operating instructions.

D. Distribution. The original of the acknowledged letter of appointment shall be delivered to the cashier; a copy to the office where duties are performed; and a copy to the appointing DO or disbursing agent.

E. Restrictions. A cashier is not authorized to:

1. Sign checks.
2. Accept checks drawn (and endorsed to the cashier) in the name of the DO or disbursing agent to procure cash and disburse for any purpose.
3. Prepare billing documents and make collections for these same items. This restriction also applies to agents performing cashier duties.
4. Prepare vouchers that will be paid later by the cashier.
5. Prepare vouchers on those days when cashier functions are performed.
6. Prepare DO accountability reports, where practical. If the cashier must prepare DO accountability reports, the DO or deputy (or disbursing agent) shall personally review the reports.

F. Letter of Termination. The DO or disbursing agent, as applicable, shall issue a letter of termination to the individual when the DO or agent is relieved or when the individual cashier’s duties are terminated.

020604. Paying Agents and Postal Paying Agents

A. Restriction on Appointment. Paying agents and postal paying agents may be appointed only when adequate payment, currency conversion, or check cashing service cannot be provided otherwise. Paying agents and postal paying agents shall not be appointed solely as a convenience when it is feasible for the transactions to be made by the DO, deputy, disbursing agents, or cashiers. In an unusual situation, such as a requirement to effect payments or currency conversions at remote locations where use of checks is not feasible, the DO may request the commander of the remote location to appoint a paying agent or postal paying agent to make the payments for and in the name of the DO from funds advanced for that purpose. Paying agents and postal paying agents shall never be appointed or utilized over protest of the accountable DO. Paying agents and postal paying agents shall not act as purchasing officers.

B. Appointment. Paying agents and postal paying agents shall be appointed in writing by the commander. The appointment letter shall contain the paying or postal paying agent's name, rank or grade, SSN and duty station; the name, rank or grade and station of the DO for whom the paying agent will act and the DSSN; the duties and responsibilities of the agent; a description of the type of payments or currency conversions to be made by the paying agent; the maximum amount of funds to be advanced to the agent; the period of time the appointment covers; and, the agent's acknowledgement of acceptance of the appointment and the statement "I acknowledge that I am strictly liable to the United States for all public funds under my control" and a statement that the individual has been counseled as to the pecuniary liability and has been given written operating instructions. Appointments may be for a specific transaction, for a definite period of time, or for an indefinite period of time. For an indefinite period, the paying or postal paying agent's designation shall continue until transferred or relieved of such duty by the appointing officer or until the DO is transferred or relieved from disbursing duty. In all cases, the paying or postal paying agent shall clear his or her account with the DO upon the transfer of the DO.

0207 COLLECTION AGENTS

020701. Establishment of Positions. The commander may approve and establish the position of a collection agent to receive funds derived from functions such as hospitalization fees and other charges at medical facilities; communications charges; rentals and other charges at housing developments; fees for research or reproduction of records; safekeeping deposits where the safekeeping function is not performed by the DO; and similar functions when deemed appropriate by the commander.

020702. Appointments. Appointments of collection agents remain in effect during the agent's service at the activity unless revoked by the appointing authority. The appointment does not require reissue by successors to the positions of commander or other authorized appointing officer. Individual collection agents shall be appointed in writing by the appointing authority. The letter of appointment shall be issued in an original and two copies and shall contain the name and rank or grade of the collection agent; office where duties are to be performed; description of duties or job description to be performed; effective date of the appointment; acknowledgement of acceptance of the appointment and the statement "I acknowledge that I am strictly liable to the United States for all public funds under my control"

and a statement that the individual has been counseled as to the pecuniary liability and has been given written operating instructions. Individuals appointed as collection agents are not authorized to serve concurrently in any other accountable position and shall not be charged with the handling or custody of any other funds.

020703. Revocation of Appointment. The appointment of a collection agent may be revoked by the appointing authority at any time. The revocation shall be in writing addressed to the agent and shall include the effective date of the revocation.

0208 CHANGE FUND CUSTODIAN

020801. Duties and Responsibilities. The change fund custodian receives the change fund from the parent DO and uses the fund to make change in conjunction with sales transactions and, in some cases, for tendering cash in exchange for a check made for more than the purchase amount. The change fund custodian is responsible for safeguarding the funds provided and is pecuniarily liable for any loss of the change fund.

020802. Establishment of Position. The commander of the sales activity establishes the position of change fund custodian.

020803. Appointments to the Position. The commander or designee of the activity (e.g., commissary or hospital) shall appoint the individual who will fill the established position. The letter of appointment shall contain the custodian's acknowledgement of the appointment, the statement "I acknowledge that I am strictly liable to the United States for all public funds under my control" and a statement that the individual has been counseled as to the pecuniary liability and has been given written operating instructions. The appointment shall be coordinated with the parent DO. Individuals appointed as change fund custodians are not authorized to serve concurrently in any other accountable position and shall not be charged with the handling or custody of any other funds.

0209 IMPREST FUNDS

020901. General. This section prescribes DoD policies and procedures for using imprest funds to make small purchases of supplies or services. Detailed regulations concerning the establishment, use of and accounting for imprest funds, including the responsibilities of designated imprest fund cashiers and alternates are contained in Part 4 of the Department of the Treasury Financial Manual for Guidance of Departments and Agencies (reference (m)), U.S. General Accounting Office Policy and Procedures Manual for Guidance of Federal Agencies (reference (n)) and the Federal Acquisition Regulations (reference (o)).

★ 020902. Authority. The use of imprest funds for unclassified programs is not authorized for DoD activities. Exceptions to this policy are authorized for contingency and classified operations. Specific requests for deviations from, or exceptions to, this policy shall be submitted through command channels and the appropriate Component Head to the Director for Finance Policy, Office of the Under Secretary of Defense (Comptroller), 1100 Defense Pentagon,

Room 3E843, Washington DC 20301-1100. Such requests shall contain adequate justification and demonstrate that the use of the government-wide purchase card, third party draft, purchase card convenience check, government-wide travel card, or other reasonable alternatives are not feasible for the specific situation. In lieu of imprest funds, maximum use shall be made of the government-wide purchase card for micro-purchases of supplies and/or services and the government-wide travel card (i.e., an agency centrally billed account) for travel payments formerly made from the imprest funds. If an imprest fund is authorized, a copy of the signed authorization to establish and maintain an imprest fund shall be kept on file by the DO at his or her office and at the location of the imprest fund cashier.

020903. Amount of Imprest Funds. The maximum amount of any DoD imprest fund that has been approved by the OUSD(C), as prescribed in the previous paragraph, shall not exceed the estimated average monthly disbursements from the fund and in no case shall it exceed \$10,000 and this limitation must be printed on the face of the draft. At least once each quarter, a review shall be made to determine the continuing need for each imprest fund established and whether the amount of the fund is in excess of actual needs based on the average monthly volume of expenditures. This review shall be accomplished as a part of the quarterly cash verification requirements prescribed in Chapter 3 of this volume. Imprest fund single transactions are limited to \$500. A single requirement totaling more than \$500 may not be split into multiple transactions to avoid the use of conventional purchasing techniques and procedures. Exceptions or waiver requests to the above limitations shall be submitted to the Director for Finance Policy, Office of Under Secretary of Defense (Comptroller) as prescribed in the preceding paragraph. Copies of approvals of such requests must be retained for audit review. During periods of contingency operations, as specified by the Joint Chiefs of Staff (JCS), the designated area commander may increase the limitations on imprest fund transactions to \$2,500 and the ceiling on cash holdings may be increased to \$100,000 per imprest fund. During periods of specified contingency operations appointment of paying agents should be considered as an alternative to imprest funds, unless the appointment of paying agents would hinder the operation (e.g., due to a lack of contracting or procurement personnel).

020904. Uses of Imprest Funds

A. General. Each duly authorized imprest fund shall be under the sole custody of one individual (i.e., any officer, enlisted person, or civilian employee who is not responsible for originating, approving and processing requirements). Additionally, an alternate imprest fund cashier may be appointed with the same requirements as the principal cashier, however, the alternate is to act only in the absence of the principal. Both principal and alternate shall be responsible financially to the DO from whom the fund was advanced. Each fund shall be operated on an imprest basis; i.e., the amount of the fund shall remain constant. The DO shall reimburse the imprest fund cashier for the exact amount of disbursements properly made and documented.

B. Conditions for Use. Duly authorized imprest funds may be used for small purchases under the following conditions.

1. The transaction does not exceed \$500. When the purchase is in support of overseas contingencies declared by the JCS, as described above, the transaction shall not exceed \$2,500.

2. The use of the imprest fund is considered to be advantageous to the government.

3. Supplies or services are available for delivery within 60 days whether at the contractor's place of business or at destination.

4. The purchase does not require detailed technical specifications or technical inspection.

C. Other Uses of the Imprest Fund. Duly authorized imprest funds may also be used for the following purposes.

1. Delivery charges associated with the purchase from the imprest fund when the contractor is requested to arrange for delivery. These charges include local delivery, parcel post (including cash on delivery (C.O.D.) postal charges) and line haul or intercity transportation charges, provided the charges are determined to be reasonable and acceptance is in the best interest of the Government.

2. C.O.D. charges for supplies ordered for payment from the imprest fund.

3. Civilian volunteers for participation in approved medical research projects.

4. The imprest fund can be used for other expenditures not related to small purchases when such expenditures are authorized by other regulations. Imprest funds might be used for the following expenditures.

a. Travel advances when no DO is available in the immediate area to effect payment and use of the government-wide travel card is impractical.

b. Local travel expenses (i.e., mileage allowance for travel in and around the permanent duty station not under travel orders) when no DO is available in the immediate area to effect payment.

c. Transportation charges (not related to purchases).

d. Money orders required for the following purposes.

(1) To transmit collections for deposit.

periodicals.

(2) To make approved one-time purchase of books or

(3) To purchase catalog type items.

(4) To pay interlibrary loan fees for professional books.

e. Postage stamps.

f. Transportation passes or tokens.

D. Prohibited Uses of Imprest Funds. Imprest funds shall not be used for:

1. payment of salaries and wages.

2. travel advances or any other advances, except as authorized above.

3. payment of travel claims (except for claims for local travel not under orders, when a DO is not available in the immediate area to effect payment as authorized above).

4. payment of public utility bills.

5. cashing of checks or any other negotiable instruments.

6. purchase from contractors or contractor's agents who are military personnel or civilian employees of the government.

7. purchase of foreign items unless the applicable decisions of exception and documentation are made prior to procurement.

8. repetitive purchases from the same contractor when another method of purchase, such as a blanket purchase agreement, would be more appropriate.

9. payment of spot awards.

020905. Imprest Fund Cashiers

A. Appointment. Imprest fund cashiers shall be appointed by the commander to make authorized cash payments for materials and nonpersonal services, maintain custody of funds, and file periodic vouchers to account for and replenish the imprest fund. The imprest fund cashier should be located organizationally and physically at a convenient location on the installation or activity for the purpose of making payments to vendors or carriers. DOs, disbursing office personnel, certifying officers and individuals responsible for originating, approving and processing requirements are not eligible for appointment as imprest fund cashiers.

In no event shall an imprest fund cashier (or alternate) have access to or control of more than one fund or be concurrently appointed to any other accountable position. Each appointment and termination or revocation of appointment shall be made in writing by issuance of a letter of appointment, termination, or revocation, as appropriate. The appointment document shall contain the following:

1. name and rank or grade of the individual and duty station
2. identification of the disbursing station for which the cashier will act (including the accounting or fiscal station number assigned, if applicable)
3. description of specific duties to be performed
4. effective date of the appointment
5. amount and location of the fund
6. the cashier's acknowledgement of acceptance of the appointment and the signed statement "I acknowledge that I am strictly liable to the United States for all public funds under my control"
7. a statement that the individual has been counseled as to the pecuniary liability and has been given written operating instructions.

The appointing document and approval for establishment of the imprest fund shall be maintained in a permanent file. Two copies of the documents shall be furnished to the cashier and one copy each to the disbursing office and the installation or activity contracting office.

B. Advance of Funds to Imprest Fund Cashier. Funds to establish an imprest fund shall be advanced by the DO serving the activity to which the imprest fund cashier is attached. A signed copy of the document appointing the imprest fund cashier and a copy of the approval to establish the fund shall be furnished to the DO at the time the cashier first obtains the advance of funds. The advance shall be documented and receipted as prescribed in Chapter 3 of this volume. If the average monthly dollar value of the imprest fund purchases decreases and the authorized amount of the fund is greater than required, imprest fund cashiers shall draw only the amount of funds justified by the volume of purchases made. This shall not be construed, however, as a limitation on funds available to the imprest fund cashier when seasonal or other factors justify an amount greater than that indicated by this method of computation.

C. Safeguarding Imprest Funds. Cash and disbursement documentation shall be safeguarded properly at all times through the use of safes, locked cash drawers, etc., as prescribed in Chapter 3 of this volume. Imprest funds may not be commingled with other cash funds (e.g., disbursing funds, change funds, or cash receipts for other funds). Cashiers must be able to account for the full amount of funds being held at any given time. Receipts or subvouchers supporting temporarily unreimbursed expenditures from any imprest fund shall be

under the accountability of the responsible imprest fund cashier, together with the cash on hand, in support of the total amount of the fund.

D. Alternate Imprest Fund Cashier. An alternate imprest fund cashier may be appointed to provide service during the absence of the principal cashier. Appointment requirements for principal cashiers shall apply to alternate cashiers. In planned absences of the principal cashier, cash may be advanced by the principal to the alternate in any amount up to the limit of the fund. The principal shall obtain a signed cash receipt from the alternate. Upon resumption of duties, the principal cashier shall return the cash receipt to the alternate after obtaining paid receipts, subvouchers and residual cash. In the unforeseen absence of the principal cashier, funds may be advanced to the alternate in the normal manner by the DO. These funds shall be in addition to the amount currently advanced to the principal cashier under the established fund, but shall not exceed the authorized amount of the fund. Upon return of the principal cashier, the alternate shall return paid receipts, subvouchers and residual cash to the DO.

E. Revocation. Imprest fund cashier appointments may be revoked at any time. The revocation shall be in writing addressed to the cashier and show an effective date. A copy of the revocation shall be provided to the disbursing office and the contracting office.

020906. Imprest Fund Procedures

A. Purchases. Each purchase using imprest funds shall be based upon an authorized purchase requisition. Normally, orders to suppliers should be placed orally and without soliciting competition if prices are considered reasonable. Purchases shall be distributed equitably among qualified suppliers. Prompt payment discounts shall be solicited, and all payments from an imprest fund shall be made for goods and services that have been procured by authorized personnel, in accordance with the Federal Acquisition Regulations (reference (o)). Responsibility for determining requirements, making purchases and receiving materials and services should be separated among several individuals. Imprest fund purchases need not be supported by a purchase order, unless they provide some advantage to the government such as vendor discounts. In these cases, a regular purchase order form endorsed "payment to be made in cash" may be used. Receipts shall be secured for each payment made from imprest funds. Since purchases with imprest funds are of relatively small value, government tax exemption certificates shall not be required.

B. Receipt of Material. All material purchased through the imprest fund shall be delivered to a designated receiving activity. The receiver shall examine the material to ascertain that the quantities and items described on the purchase request document and the supplier's sales document are present and in satisfactory condition. If the material is acceptable, the receiver shall stamp the supplier's sales document "Received and Accepted," date and sign the document, and pass it to the imprest fund cashier for payment. A supplier's sales document, a DD Form 1155 (Order for Supplies or Services/Request for Quotations), or a DD Form 1348-1 (DoD Single Line Item Release/Receipt Document) may be used to record the receipt of purchases made from the imprest fund. When it is not practicable to obtain delivery of material

at destination on a C.O.D. basis, advance arrangement may be made for the material to be picked up. The imprest fund cashier then may advance cash to an authorized individual to pick up and pay for the material. Necessary certification of receipt and acceptance of material shall be obtained on one of the documents as indicated above. Receipt for cash payment shall be made on the same document, which will serve as the imprest fund receipt. When prior arrangement for pick up of material is not practicable, the imprest fund cashier may advance cash to an authorized individual to make a proposed purchase.

C. Advance of Funds. Individuals receiving a cash advance from the imprest fund cashier shall be required to sign a receipt for cash. After purchase has been made, the individual shall return any unused cash to the imprest fund cashier with the necessary certifications of receipt, acceptance and cash payment, at which time the imprest fund cashier shall “void” the receipt for cash. Cash so advanced should be accounted for daily, but under unusual circumstances, cash may be advanced for a longer period (not in excess of 7 calendar days).

D. Certification of Cash Payment. The original receipt document (or a copy tendered as the original) presented to the imprest fund cashier for payment shall be stamped with a certification containing the following information:

1. statement that cash payment was received in full
2. amount paid
3. date of payment, and
4. signature and title of supplier or supplier’s agent receiving the cash

payment.

Alterations or corrections to documents tendered for payment shall be initialed by the person making the change. Changes in the amount paid shall be initialed by the individual receiving payment. (Refer to paragraph 020301 concerning the prohibition on alteration of remittance addresses.)

E. Responsibilities of Imprest Fund Cashier. Pending receipt of material, the imprest fund cashier shall keep a file of purchase request documents covering imprest fund purchases. Prior to payment, or acceptance of the document tendered for settlement of an advance, the cashier shall verify the necessary certification of receipt and the supplier’s billed price or the price paid. If the supplier’s receipt for cash payment is not obtained for purchases of \$15 or less, the imprest fund cashier shall complete the cash receipt document and have the person receiving the fund sign this document. Receipt for U.S. parcel post C.O.D. charges should be obtained. When a receipt cannot be obtained for C.O.D. purchases, imprest fund cashiers located in foreign countries are authorized to certify on the receipt document by stating “Delivered by (name of post office or carrier); no receipt given.” The C.O.D. label shall be removed from the parcel and affixed to the receipt document in support of the reimbursement

voucher. Imprest fund cashiers at any location may accept a signed C.O.D. receipt to support the subvoucher if the carrier refuses to sign a government form. After completion of settlement transaction, each subvoucher shall be numbered consecutively beginning with one each fiscal year and this number placed on the original of the paid receipt documents. These subvouchers shall support the cashier's claim for reimbursement of the imprest fund. The imprest fund cashier shall not request duplicate receipt documents, or retain such documents if provided. When total charges stated on the sales document are paid, without deduction of discounts offered and earned, or without correction of minor billing errors, the cashier shall initiate action to obtain a refund from the supplier. Collection action may be waived for refunds of one dollar or less.

F. Payments

1. C.O.D. Upon presentation of an authorized document with the necessary certification of receipt for supplies or services, the imprest fund cashier or other authorized individual shall pay the supplier or supplier's agent and obtain the certification of cash payment as set forth above.

2. Receipt From Common Carrier or Post Office. When C.O.D. shipments are received or picked up from a common carrier or post office, the certification of cash payment may be accomplished on a list of the packages provided by the post office or common carrier. Such a receipt shall be supported by copies of the applicable sales documents, if available.

3. Periodic Payments. When a blanket purchase agreement is not suitable and it is administratively convenient and agreeable to the supplier, periodic payments from the imprest fund may be made for supplies delivered on a repetitive basis, provided that the accumulated amount of the deliveries for the specified period does not exceed the dollar limitation imposed on the imprest fund method by paragraph 020903, above.

4. Failure to Ship C.O.D. When material is ordered C.O.D. but is shipped by the supplier subject to payment by check, an SF 1034 (Public Voucher for Purchases and Services Other than Personal) shall be used to make payment. Under these circumstances, the receiver shall prepare the necessary certification of receipt and forward the receipted document through the imprest fund cashier, for attachment of the supporting documents which authorized the shipment and submission to the DO for payment.

5. Money Orders. Cashiers may purchase money orders using imprest funds, when necessary, to do the following:

- a. Transmit collections for deposit.
- b. Deposit part of the fund when the fund is to be reduced or liquidated.

c. Make approved cost-effective mail order purchases for singular acquisition of reference manuals, singular publications or pamphlets, catalog type items, and fees for the interlibrary loan of professional books. This procedure shall not be used to circumvent controls on the procurement of periodic subscriptions.

NOTE: In implementing this authority, DoD components shall establish and maintain internal controls that include attaching a legible copy of the money order (that shows purchasing activity, payee and amount) to the requisition file, together with annotation of the date mailed. The original money order receipt shall be retained by the imprest fund cashier to substantiate disbursement of the money order fee.

G. Reimbursement of Imprest Funds. The imprest fund shall be reimbursed by use of OF 1129 (Cashier Reimbursement Voucher and/or Accountability Report) supported by the cashier's subvouchers. The imprest fund cashier shall prepare and submit OF 1129 in triplicate to the DO as frequently as necessary, but not less often than monthly. At the close of the fiscal year, an OF 1129 covering all remaining subvouchers through September 30 shall be submitted before the closing of the allotment accounts for the month. When required, subvouchers shall be summarized by account to complete the accounting classification block of OF 1129 and submitted to the DO for reimbursement of the imprest fund. One copy of the OF 1129 shall be retained by the imprest fund cashier pending the return of the "paid" copy of the form with the reimbursement checks or currency in the amounts requested by the cashier. When the imprest fund is reimbursed by mail, or when long delays in the reimbursement are encountered, the imprest fund cashier may retain copies of subvouchers until reimbursement is accomplished. When copies are retained, they shall be placed in a sealed envelope identified to the reimbursement voucher involved. When reimbursement is received, the sealed envelope shall be presented to the official who signed the Administrative Certificate on the OF 1129 for destruction. When a supplier refunds cash prior to the submission of OF 1129 covering such payment, the imprest fund cashier shall accept the refund, return the money to the imprest fund and enter the amount of the refund on the original of the supplier's receipt. When the refund is made subsequent to the submission of the applicable OF 1129, the imprest fund cashier shall enter the amount of the refund on the retained copy of the reimbursement voucher, promptly submit the refund and a properly prepared DD Form 1131 to the DO, and obtain a receipt.

H. Accounting. Recordkeeping for the imprest fund shall be as simple as possible consistent with the maintenance of adequate controls. A file of suppliers receipts for amounts paid and not yet vouchered for reimbursement and copies of paid reimbursement vouchers ordinarily will suffice for the record of the imprest fund cashier.

I. Review. The imprest fund cashier shall be required to account for the established fund at any time, by cash on hand, paid suppliers receipts, unpaid reimbursement vouchers and interim receipts for cash. Unannounced inspections, including cash counts are required to be made of each imprest fund at least quarterly by the cash verification team appointed by the commander who established the fund and appointed the imprest fund cashier. See Chapter 3 of this volume. Reports of discrepancies and investigations, as appropriate, shall be made as prescribed in Chapter 6 of this volume.

020907. Imprest Fund Depositary Demand Withdrawal Account. An imprest fund depositary demand withdrawal account may be established for cash withdrawals only when large sums of cash must be secured for investigative accounts or locally available financial institutions refuse to cash replenishment checks, even for a fee, when an account is not maintained with such institutions. A demand withdrawal account shall be established only upon request to and approval by the Director for Finance Policy, Office of the Deputy Chief Financial Officer, via the Director for Finance, DFAS-Arlington. The approval shall be retained by the imprest fund cashier as part of the official records. The procedures, below, are applicable to depositary accounts.

A. Financial institutions selected to maintain an imprest fund cashier's account must meet the eligibility requirements of 31 CFR, Part 202 (reference (p)).

B. Signature cards for access to the account shall be signed by both the principal cashier and the DoD Component Head or designee (not lower than the comptroller or chief fiscal officer of the installation).

C. A letter signed by the DoD Component Head, or designee, shall be sent to the financial institution advising that the funds deposited to the account are official funds of the U.S. Government and are in no way subject to claim by a surviving relative of any individual who is designated to sign on the account.

D. Checks shall be made payable to cash for withdrawal by the cashier only; i.e., checks may not be made payable to fellow employees, vendors, or other payees. Withdrawal by automated teller machine is not authorized. Specific internal controls shall be used to prevent such check issuances or withdrawals.

E. Accounts may be interest bearing or noninterest bearing. Balances held in the accounts, however, shall be limited to immediate disbursing needs. Any interest earned from such accounts shall be deposited to the applicable DoD Component miscellaneous receipt account.

F. A minimum balance should be maintained to preclude service charges, unless payment of the service charge is more advantageous to the U.S. Government. Service charges or any other fees related to the account, or for cashing U.S. Treasury checks, shall be paid by the DoD Component.

G. DoD Components may not enter into any arrangement with a financial institution for overdraft protection.

H. Replenishment checks shall not be deposited to the account until the funds are needed for issuance.

I. Maximum size of the account is left to the discretion of the DoD Component Head, or designee, but under no circumstances may the amount exceed \$10,000.

J. A monthly reconciliation of any depositary demand account, using an SF 1149 (Statement of Designated Depositary Account) shall be performed by the cashier. The cashier shall submit the SF 1149 to the official who approved the establishing of the imprest fund together with the OF 1129. A copy of the completed SF 1149 and the completed OF 1129 shall be retained by the cashier as part of the official records. Reconciliation, audit trails, verification and accountability shall be in accordance with I TFM, Part 4, Chapter 8000 and Chapter 14 of this volume.

020908. Requests for Deviations. Requests for deviations to the imprest fund policies and procedures prescribed in this section shall be submitted in writing through channels for approval to Under Secretary of Defense (Comptroller), Office of Deputy Chief Financial Officer, Director for Finance Policy, Room 3E843, Pentagon, Washington DC 20301-1100, via the Director for Finance, DFAS-Arlington. Items requiring approval to deviate include, but are not limited to, the following:

A. Temporary or permanent exceptions or waiver of imprest fund amount or payment limitations.

B. Placement of imprest funds in depositary accounts or use of third party payment drafts.

Copies of approvals must be retained for post review by representatives of the Department of the Treasury or the cognizant DoD Component audit organization.

★0210 CONVENIENCE CHECKS

021001. General. The prescribed method for all payments within the Department is electronic funds transfer (EFT). Unless a waiver to the EFT requirement has been approved by the Office of the Under Secretary of Defense (Comptroller), the preferred method for purchases shall be the use of the government purchase card. If certain restrictions make the use of the purchase card impractical, convenience checks may be used. (NOTE: Procedures for requesting a waiver from the mandatory EFT requirement are in Chapter 24 of this volume.)

A. Payment flexibility. Convenience checks give issuing DoD activities the flexibility to issue low volume and low dollar value payments on site.

B. Availability. Convenience checks shall be available at those DoD activities that identify a need to issue such check instruments, in lieu of cash, where purchase and travel cards have proven ineffective. These instruments shall be issued for the exact payment amount.

C. Minimum requirements. The minimum requirements to establish a local check writing capability are as follows. (NOTE: Specific conditions for establishing convenience checks are detailed below, in paragraph 021002, "Procedures.")

1. All organizations authorized to maintain purchase card convenience checks shall hold an active (in good standing) purchase card before approval of a purchase card convenience checking account. A purchase card convenience check cashier may hold a government purchase card so long as policies and procedures established herein are observed.

2. The use of convenience checks shall be evaluated and determined to be advantageous to the DoD activity, after evaluating all alternatives to accomplish the same purpose.

3. Before any convenience check is issued, the paying agency shall make every effort to use the government purchase or travel card to make necessary purchases. Maximum efforts shall be made to find and use vendors that accept the purchase card as the primary payment vehicle; e.g., the use of electronic or telephone catalog ordering services coupled with overnight delivery.

4. The authority to maintain a check writing system (checkbook) shall be justified on an individual organization basis. The check writing system shall be controlled and monitored by the DoD activity. Automated reports from the check providers are available to provide oversight.

5. The number of checkbooks shall be limited to as few as feasible, not to exceed one per major DoD tenant activity or autonomous location.

6. Appropriate internal controls, to include one level of approval above the check writer (i.e., an approving official), shall be maintained by each using DoD activity.

7. Each convenience checking account shall be audited yearly, on an unannounced basis, by an officer or equivalent DoD civilian employee who is independent of the office maintaining the account.

D. Additional Features. Convenience check providers offer "stop payment" and retrieval capabilities to DoD user activities, as well as an audit trail that permits the tracing of transactions. Also, these check providers offer "help desk" assistance and reporting capabilities with a variety of reporting media and frequencies.

E. Convenience Check Requirements. A DoD activity may adopt the third party instrument upon appropriate justification and approval according to the procedures in paragraph 021002 below.

1. Convenience checks shall not be issued for more than \$2,500, unless otherwise approved in accordance with procedures in this chapter.

2. These products currently are provided through the General Services Administration (GSA) contract for the government-wide purchase card. The contract requires that the card providers operate a convenience check writing system that allows DoD activities, including overseas locations, to make selected minor purchases and payments using checks in lieu of cash.

3. These products offer DoD activities mechanisms to replace cash for official expenses when card products and other alternatives have been determined unusable.

4. Purchase Card Issuing Bank Requirements

a. The purchase card issuing bank shall provide a supply of checks to the designated convenience check account holder.

b. The bank will process and pay the checks as they are presented through the U.S. check clearing system within established maximums and authorization parameters established by the sponsoring activity agency program coordinator (APC) for each individual account holder.

c. The bank shall provide a listing of the checks cleared on each account holder's billing statement (invoice) and store cleared checks for audit and retrieval purposes.

5. The checks shall contain standard preprinted information: United States Government seal, the statements "For Official Use Only," and "U.S. Government Tax Exempt." The checks shall include the maximum dollar limitation per check (i.e., \$2,500), as well as space for the date and the amount of the check. In addition, other standard preprinted information is carried on the check specific to the parent DoD activity's name and address and the account holder's name. Thus, only the named individual may issue these checks.

6. The checks are sequentially prenumbered, multiple copy documents (with a minimum of at least one copy for the account holder's records).

7. The convenience check account holder shall reconcile cleared checks and the resulting billing statement (invoice) against his or her retained records of issuance in accordance with standard payment practices established for the purchase card.

021002. Procedures

A. Authorization for Convenience Check Account. Requests to establish an account for convenience checks first shall be justified (in writing) to the resource manager or commander/director of the installation or tenant activity. Delegations of authority to maintain

and use convenience checks shall be issued in writing specifically to the activity approving and certifying officials; check custodian; and cashier by the activity commander or director as directed below.

B. Conditions for Establishing Convenience Check Account

1. Designation of Activity Approving and Certifying Officials

a. The activity approving and certifying officials may be any individuals (i.e., officer, enlisted member, or civilian employee) who are appointed by the head of the issuing DoD activity to authorize and certify the issuance of convenience checks by cashiers.

b. In order to maintain effective internal controls, the activity approving and certifying officials may not perform functions of convenience check custodian or cashier.

c. The activity approving and certifying officials shall be held accountable and pecuniarily liable for the accuracy of the payments.

d. In the case of purchase card convenience checks, the purchase card approving official (AO) is the same as the activity approving and certifying officials.

(1) The activity approving official and certifying officials shall be designated as the billing (invoicing) officials and shall receive, and certify payments of, the billing statement (invoice) to the appropriate paying activity (e.g., a DFAS operating location).

(2) Convenience checking accounts may be established to ensure that approving and certifying officials' accounts are separate from the approving official's account for purchase cards.

2. Designation of Convenience Check Custodian

★ a. The convenience check custodian may be any individual (i.e., officer, enlisted person, or civilian employee) who is appointed by the head of the issuing DoD activity (or by the activity's convenience check approving or certifying official, if authorized by the head of the issuing DoD activity) to order, receive, store, issue, inventory, reconcile and dispose of check stock. Each DoD Component has discretion to identify the minimum grade level for its check custodians.

b. Each convenience check account shall be under the custody of one individual who is not responsible for originating, approving and processing the

requirement for a check. An alternate custodian may be appointed with the same authorities as the principal custodian; however, the alternate shall act only in the absence of the principal.

c. Both principal and alternate custodians, as applicable, may be held pecuniarily liable for account transactions under their control.

d. The convenience check custodian may perform the functions of the convenience check cashier.

3. Designation of Convenience Check Cashier

a. The convenience check cashier may be any individual (i.e., officer, enlisted member, or civilian employee) who is appointed by the head of the issuing DoD activity (or the activity's convenience check approving and certifying official, if authorized by the head of the issuing DoD activity) to inscribe (print), sign and issue checks.

b. The convenience check cashier may perform the functions of the product check custodian.

c. A convenience check cashier also may be a purchase card holder so long as the policies and procedures established herein are observed.

4. Other Operating Conditions

a. Convenience check accounts shall be "bulk funded" (i.e., advance reservations of funds shall be used in conjunction with all purchases made using convenience checks). Depending upon the DoD Component's prevailing business practice, advance reservation of funds shall take the form of bulk commitments or bulk obligations and shall be established via commitment and/or obligation documents, as appropriate, covering all purchases by convenience checks used for micropurchases. The use of advance reservation of funds should ensure positive funds control and preclude expenditures from exceeding obligations. The disbursing office shall validate each certified billing statement against the corresponding bulk obligation. If no bulk obligation is identified, a simultaneous obligation shall be recorded, in coordination with the purchasing activity, in the activity's official accounting records.

b. Check amounts shall not exceed \$2,500 per check and shall be issued for the exact payment amount, with a prohibition on splitting purchases, payments or other amounts among more than one check to keep amounts below \$2,500 or other assigned limits (if less than \$2,500).

c. These check products shall not be issued as an "exchange-for-cash" vehicle to establish cash funds.

d. These check products may be mailed, so long as internal controls are in place to avoid duplicate payments to payees.

e. As appropriate, convenience checks may be used for payments in overseas transactions up to \$10,000 in support of contingencies declared by the Secretary of Defense.

f. The issuing activity is responsible for all administrative costs associated with the use of convenience checks. At DoD Component election, the costs associated with the purchase of convenience checks may be (1) included in the bulk obligation and accounted for as part of the purchase price or (2) treated separately as an administrative cost of the issuing activity.

C. Method for Establishing Convenience Check Accounts. Normal account set-up procedures shall be followed to establish the convenience check account product. Appropriate application forms shall be completed and submitted through the DoD activity's existing purchase card hierarchical structure, including approving official and APC. The application also shall include a copy of the approval document issued by the DoD installation/activity resource manager or commander/director. A separate checking account holder and approving official shall be identified for each purchase card checking account. The application can be obtained from the APC.

D. Conditions for Using Convenience Check Accounts

1. For accounts established with the purchase card issuing bank, agencies shall maintain a current convenience check account status (i.e., with no delinquencies, except for questioned items or items in dispute). Also, any entity under suspension of purchase card privileges automatically shall be suspended from use of the purchase card convenience check system.

2. Convenience checks may be used for purposes not related to small purchases when such expenditures are authorized by this Regulation.

★ 3. Only convenience checks that are "properly payable instruments" paid by the financial institution shall be reimbursed, in accordance with Title 31, United States Code, sections 240 and 3528. A properly payable instrument:

a. is issued over the genuine signature of an authorized payment agent in accordance with agreed upon procedures,

b. bears a genuine or authorized endorsement, and

c. has no alterations.

021003. Waiver Process

A. The Deputy Chief Financial Officer (DCFO), Office of the Under Secretary of Defense (Comptroller), may grant waivers to these policies (including higher dollar authority) for contingency operations and for exceptional circumstances.

B. Waiver requests for deviations from, or exceptions to, these policies shall be submitted for evaluation and approval to the applicable Military Department Assistant Secretary for Financial Management and Comptroller or Defense Agency Comptroller prior to requesting final approval by the DCFO. Such requests shall contain adequate justification and demonstrate the need for a waiver or exception to the specific policy.

0211 ALTERNATE AGENTS

When required, one or more individuals may be designated as an alternate agent to serve only during the absence of an imprest fund cashier, disbursing agent, cashier, change fund custodian, or collection agent. Alternate agents for deputy DOs are not permitted. The official authorized to appoint alternate agents shall issue letters of appointment as prescribed for the primary agent. The alternate is an agent of the appointing official and, when serving in place of the primary agent, is governed by all regulations applicable to the primary agent. Funds received by alternates shall not be merged with those of the primary agent. Separate records shall be maintained to establish the amount for which each agent (or alternate) is responsible. Alternates are prohibited from conducting operations involving the handling of public funds concurrently with the primary agent. Upon written authorization of the appointing official, a primary agent may advance to an alternate agent a specified portion of cash holdings for use only during the absence of the primary agent. A DD Form 1081 (Statement of Agent Officer's Account) shall be signed by the alternate and held by the primary agent as evidence of the advance.

0212 DEATH, INCAPACITY, OR UNAUTHORIZED ABSENCE OF AGENTS

In the event of the death, incapacity, unauthorized absence, arrest, or other emergency absence of an agent, the commander shall take action as prescribed in section 0205 of this chapter for deputies at branch offices except that relieving agents shall be appointed in accordance with the procedures applicable to the position involved. In the case of an imprest fund cashier, the final voucher should be prepared by the relieving imprest fund cashier.

PAUL JOSEPH DOE; DEPUTY FOR: JOHN ALLEN HANCOCK DSSN 5219

SIGNATURE CARD

The information requested on the enclosed form is required under the provisions of 31 U.S.C. 82b to identify the accredited official for disbursing operations. Failure to provide the information may affect the accreditation of the individual.

Notify the Financial
Management Service of any
change in this address.

USS MARS (AFS-1)
FPO AP 96672-3030

Sign here, in form to
be used on checks:

I certify that the
above signature is
that of the disburs-
ing officer named.

J. A. HANCOCK

DISBURSING OFFICER

The signature of the person certifying should be known to
the Financial Management Service

Title

Date: December 5, 20XX

When signed forward immediately to the Department of the Treasury, Financial Management
Service, Washington, D.C. 20226

FMS

FORM 5583
10-88

PREVIOUS EDITION
IS OBSOLETE

DEPT. OF THE TREASURY
FINANCIAL MANAGEMENT
SERVICE

★Figure 2-1. Sample FMS Form 5583, Signature Card

Department of the Treasury
Financial Management Service
Headquarters Operations
Reconciliation Branch
Check Records Section
Hyattsville, MD 20782

PAUL JOSEPH DOE
DEPUTY FOR:
JOHN ALLEN HANCOCK
DSSN 5219

The information requested on the enclosed form is required under the provisions of 31 U.S.C. 82b to identify the accredited official for disbursing operations. Failure to provide the information requested may affect the accreditation of the individual.

The above privacy act notice requirement should be associated with each FMS Form 3023 and/or each FMS Form 5583 upon release.

My official signature as it will appear on checks drawn on the United States Treasury is shown in EACH of the 14 spaces below.

I understand that a legible signature is desirable and that signatures on checks should conform closely to these specimens. I will use permanent ink of a dark blue, blue-black, or black color.

I will furnish new specimen signatures if a change in the form of my signature is desirable and I will observe all of the provisions of Treasury Fiscal Manual, Part IV, Chapter 50 in the issue, care and use of checks.

December 5, 20XX

(Date)

(Signature)

When the signatory is unable to sign, additional signatures on blank sheets.

SPECIMEN SIGNATURES

SPECIMEN SIGNATURES

FMS

FORM 3023
2-91

FORMERLY TFS FORM 3023
(4-87) WHICH MAY BE USED.

DEPARTMENT OF THE TREASURY
FINANCIAL MANAGEMENT SERVICE

★Figure 2-2. Sample FMS Form 3023, Specimen Signatures

STANDARD FORM 1219 Revised April 1982 Department of the Treasury 1-TFM 2-3100		STATEMENT OF ACCOUNTABILITY	
NAME OF DISBURSING OFFICER JAMES LAWRENCE RICHARDS		LOCATION OF DISBURSING OFFICER (<i>Mailing Address</i>) USS MARS (AFS-1) FPO AP 96672-3030	
NAME OF AGENCY NAVY		AGENCY LOCATION CODE (ALC) (<i>Show main check symbol number</i>) 5219	
PERIOD OF ACCOUNT FROM 01 NOV 19XX THROUGH 30 NOV 19XX			
SECTION I. - GENERAL STATEMENT OF ACCOUNT			
PART A. - TRANSACTIONS DURING PERIOD AFFECTING ACCOUNTABILITY			
1.00		TOTAL ACCOUNTABILITY BEGINNING OF PERIOD	10,000.00
	INCREASES IN ACCOUNTABILITY		
2.1	CHECKS ISSUED ON U.S. TREASURY	8,000.00	
2.3	OTHER TRANSACTIONS		
2.34	DISCREPANCIES IN D.O. ACCOUNTS - CREDITS		
2.36	PAYMENTS BY ANOTHER D.O.		
2.37	TRANSFERS FROM OTHER DISBURSING OFFICERS		
2.39			
2.9	TOTAL INCREASES IN ACCOUNTABILITY	8,000.00	
3.0		SUBTOTAL	18,000.00
4.0	DECREASES IN ACCOUNTABILITY		
4.1	NET DISBURSEMENTS	7,500.00	
4.2	DEPOSITS PRESENTED OR MAILED TO BANK	3,000.00	
4.3	OTHER TRANSACTIONS		
4.34	DISCREPANCIES IN D.O. ACCOUNTS - DEBITS		
4.36	PAYMENTS FOR ANOTHER D.O.		
4.37	TRANSFERS TO OTHER DISBURSING OFFICERS		
4.39			
4.9	TOTAL DECREASES IN ACCOUNTABILITY	10,500.00	
5.00	TOTAL ACCOUNTABILITY CLOSE OF PERIOD		7,500.00
PART B. - ANALYSIS OF INCUMBENT OFFICER'S ACCOUNTABILITY			
6.1	CASH ON DEPOSIT IN DESIGNATED DEPOSITARY		
	(<i>Name and location of depositary</i>)		
6.2	CASH ON HAND		7,000.00
6.3	CASH - UNDEPOSITED COLLECTIONS		
6.4			
6.5	CASH IN CUSTODY OF GOVERNMENT CASHIERS		500.00
6.6			
6.7			
6.8			
6.9			
7.1	DEFERRED CHARGES - VOUCHERED ITEMS		
7.2	RECEIVABLES - CHECK OVERDRAFTS		
7.3	LOSSES OF FUNDS		
7.4	RECEIVABLES - DISHONORED CHECKS		
7.5			
7.6			
7.7			
7.8			
7.9			
8.0	TOTAL OF MY ACCOUNTABILITY		7,500.00
PART C. - ANALYSIS OF PREDECESSOR OFFICERS' ACCOUNTABILITY			
9.2	RECEIVABLES - CHECK OVERDRAFTS		
9.3	LOSSES OF FUNDS		
9.4	OTHER ACCOUNTABILITY		
10.0	TOTAL PREDECESSOR OFFICERS' ACCOUNTABILITY		0.00
11.0	TOTAL DISBURSING OFFICER ACCOUNTABILITY (<i>Same as line 5.00 above</i>)		7,500.00
I have received on 30 NOV XX by transfer from LT James L. Richards, SC, USN, \$7,500.00, an analysis of which is included in Sections I-B and I-C above. <div style="text-align: right;">John A. Hancock, LTJG, SC, USN</div> I certify that this is a true and correct statement of accountability for the period stated at the office referred to above.			
NAME AND TELEPHONE NUMBER OF CONTACT J. A. HANCOCK COM. (619)952-2222 DSN 496-2222		SIGNATURE AND TITLE OF CERTIFIER J. L. RICHARDS	DATE 30NOVXX
NSN 7540-00-634-4245 (OVER) PREVIOUS EDITION NOT USABLE 1219-106			

Figure 2-3. Sample SF 1219, Statement of Accountability (Final upon Relief)

SECTION II - SUMMARY BY SYMBOL OF CHECK AND DEPOSIT TRANSACTIONS WITH U.S. TREASURY						
PART A. - CHECKS ISSUED AND ADJUSTMENTS FOR PRIOR PERIODS *						
CHECK	AMOUNT OF ISSUED THIS	ADJUSTMENTS FOR PRIOR MONTH'S (+ or -)				TOTAL (Columns 2 + 3 + 4 + 5)
		BY TFS FORM		OTHER		
		ISSUE (Month and	AMOUNT	ISSUE (Month and	AMOUNT	
(1)	(2)	(3)		(4)		(5)
	TC 210		TC 211		TC 212	
5219	8,000.00					8,000.00
TOTALS!						
PART B. - SUMMARY OF DEPOSITS PRESENTED OR MAILED TO BANK (Line 4.2)						
DEPOSIT	DEPOSITS OR MAILED TO BANK THIS	DEPOSITS PRESENTED OR MAILED TO IN PRIOR MONTHS BUT RECORDED IN ACCOUNTS THIS MONTH		TOTAL PRESENTED TO BANK ^ (Column 2 + 4)		
		MONTH MAILED TO	AMOUNT			
(1)	(2)	(3)	(4)	(5)		
	TC 420		TC 420			
5219	3000.00			3,000.00		
TOTALS !						
* The totals reported in these columns must be in agreement with the corresponding amounts reported on the SF 1179. + The total reported in this column must be in agreement with the total shown on Line 2.1 on the face of this statement. ! For use only if more than one (1) symbol is listed. ^ The total reported in this column must be in agreement with the total shown on Line 4.2 on the face of this statement.						

Figure 2-3. Sample SF 1219, Statement of Accountability (Reverse)